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REPORT ON RECENT MEETINGS

Room Document 1

DAC Meeting, 12 June 2012

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REPORT ON RECENT MEETINGS

Informal DAC meeting on Tax and Development (4 May 2012)

1. The DAC met on an informal basis on 4th May to discuss the DAC/CFA joint Tax and Development Programme and the Task Force on Tax and Development. The Secretariat (Ben Dickinson) presented work to date on statebuilding and aid, the taxation and transparency of Multinational Enterprises and exchange of information for tax purposes. Significant progress was recorded on delivering transfer pricing support in partnership with donor agencies, on governance of tax incentives, on principles for effective donor operations, and on the development of a number of practical tools. Questions and comments were tabled on the sequencing of capacity development efforts, on the nature and management of the horizontal project and the financial commitments of the CFA to the partnership. The importance of the Programme being demand driven was highlighted. In concluding, the Chair noted that these issues, progress to date and a future work plan would be discussed and agreed at the next joint DAC/CFA meeting on 27th June 2012 (starting at 14.30). The importance of monitoring and evaluating the horizontal Programme and of providing guidance to donor agencies was noted.

OECD Task Force on Tax and Development, Cape Town, South Africa (9-10 May 2012)

2. The plenary of the Task Force met in Cape Town on 9-10 May, hosted by Mr. Oupa Magashula, Commissioner General of the South African Revenue Service (Co-Chair of the Task Force with the Netherlands). Sixty participants attended, including 15 developing countries, representatives from business, civil society and OECD members from tax administrations, ministries of finance and donor agencies. The Task Force took stock of excellent progress and set priorities for the year ahead to be taken to the DAC and CFA on 27th June 2012. The Task Force prioritized the development of 'Tax Inspectors Without Borders,' a new initiative to deploy the right experts at the right time in the right places, to help, for example, with complex international tax audits. The meeting advanced a set of international engagement principles to improve the quality and coherence of international support in tax matters, to be used in future to monitor performance. The Task Force welcomed a proposed new service to undertake tax and investment reviews, based on principles promoting transparency in the granting and administration of investment-related tax incentives. The Task Force also welcomed increased international cooperation in the area of Transfer Pricing including the support delivered to Colombia, Ghana, Kenya, Rwanda, and Vietnam by the joint OECD, EC, and World Bank programme. On the issue of Multinational Enterprise financial reporting, a report indicating the transparency benefits from the local registration of statutory accounts was agreed. It was also agreed the Task Force has a valuable role in tracking international transparency developments on an ongoing basis. Early efforts made by the international and regional organisations to better co-operate on diagnostic, benchmarking and surveying work in tax administration were reported. The Task Force recorded the near completion of a report on tax morale and encouraged further work, in particular to compile the best practices in tax payer education leading to the preparation of a toolkit for developing countries. Finally, the meeting agreed the Programme should be delivered through fewer meetings, streamlined governance and smarter ways of working. A proposed core multi-stakeholder leadership group was welcomed by the meeting.

Joint DAC–EPOC Task Team on Climate Change (9 May 2012)

3. The plenary of the joint DAC-EPOC task team on climate change and development co-operation met in Paris, 9 May 2012, led by the two co-chairs, Aart von der Horst (Netherlands) and Janine Kuriger (Switzerland). Participants welcomed the future work proposal prepared by the secretariat (Michael Mullan, Nicolina Lamhauge, Hubert de Milly), reflecting previously expressed interest from task team members in continuing work on monitoring and evaluation (M&E) in the specific sector of climate change **adaptation** (as opposed to mitigation, for which M&E methodology is much better established). They decided to combine aspects of the proposals on comparative studies and methodological challenges (proposals 1 and 2 of the document) and to provide further written comments and options to support this work **by the 9th of June**. The final project specification will be circulated in July.

4. Participants were also informed about current trends and other initiatives related to this area, such as the “Busan Building Block on climate finance and development effectiveness”, a coalition of countries and institutions willing to strongly implement Busan commitments on climate finance at country level and share experience at regional and global levels. Finally, the Task Team discussed the possibility of doing work on the role of the private sector on adaptation in developing countries. Although private sector engagement in adaptation is becoming increasingly important, the Task Team agreed that the Secretariat may not be best placed to undertake this work. Members were encouraged to keep the Task Team informed of their work in this area.

Meeting on Gender Equality and Statebuilding (9 May 2012)

5. This seminar brought together interested members from the INCAF Task Team on Peacebuilding and Statebuilding and experts on gender equality and conflict/fragility. It discussed the draft findings from research conducted by International Alert for an INCAF workstream on gender equality and statebuilding. The purpose of this piece of work is to strengthen the understanding on the linkages between gender issues and statebuilding, and to identify lessons and practical recommendations for improved donor support to gender equality within a statebuilding framework. The seminar featured presentation of initial findings and recommendations from a review of the literature, a donor survey and country case studies in Nepal and south Sudan. Discussion focused on the challenges and opportunities for donors to integrate gender into their support for statebuilding and emerging policy messages and recommendations for improving international support.

China-DAC Study Group (6 June 2012)

6. The China-DAC Study Group met in Beijing on 6 June 2012 at the offices of the International Poverty Reduction Centre in China (IPRCC). The main objective of this internal meeting was to advance implementation of the Study Group’s work programme for 2011-12 [see: DCD(2011)5].

7. Highlights from the meeting included:

- **Dissemination:** The main lessons drawn from the Study Group’s work in 2009-11 have been published as "Economic Transformation and Poverty Reduction. How it happened in China, helping it happen in Africa"¹. IPRCC will now organise a presentation in Beijing for a Chinese audience of the main lessons from this work. The main lessons may also be presented at the Third Africa-China Poverty Reduction and Development Conference to be held in Tanzania in July 2012 as well as in the margins of the Fifth Ministerial Meeting of the Forum on China–Africa Co-operation (FOCAC) to be held in Beijing in July 2012.

1. The report is available in both English and Chinese on the Internet at: www.oecd.org/dac/cdsg

- **Knowledge and experience sharing:** Chinese government representatives will participate in a mid-term evaluation of USAID's technical co-operation support for the APEC Secretariat. This, and the possible observation of a second evaluation conducted by a DAC member, will generate inputs for a Roundtable discussion to be held in Beijing in the first quarter of 2013 on the need for and use of evaluations. In addition, the Study Group agreed that the report on last October's joint study visit to Tanzania, which looked at Chinese and DAC support for agricultural development, could be released [see: DCD(2012)3] and that this visit should be followed up with a second joint study visit (possibly to Zimbabwe in October 2012). A Roundtable to discuss the findings from these two joint study visits will be organised in Beijing in the first quarter of 2013.
- **Future work:** The meeting reconfirmed the interest and usefulness in maintaining a low-key, practical engagement with the Chinese to share knowledge and experiences on issues related to reducing poverty and improving the management of aid. There was agreement that the Study Group should continue into 2013-14 using the Roundtable approach developed during 2011-12. Possible topics for future work include results-based management (which would build on the current work on statistics and evaluation) and triangular/trilateral co-operation.